

# HEALTH *watch*



*Participants at the nursing home enforcement regulation meeting in Seattle explain their concerns to HCFA Administrator Vladeck.*

## Meetings Held on Nursing Home Enforcement Regulations

In a series of listening sessions in Seattle, Chicago, and Atlanta over the last two months, nursing home residents, staff, and surveyors discussed with HCFA staff their views on nursing home quality and improvements.

At the session in Seattle, HCFA Administrator Bruce Vladeck and HCFA's Health Standards and Quality Bureau (HSQB) Director, Dr. Richard Besdine, discussed with participants the need for more communication between residents and staff and the problems that result from high staff turnover.

Facility administrators proposed that on-site surveys focus more on patient care rather than on citations for potentially harmful situations. Nursing personnel recommended that HCFA consider having surveys completed by peers (therapists reviewing therapists, etc.), and called for HCFA to issue clearer definitions of terms such as "potential for harm" and "substandard care." The state surveyors noted that the improved enforcement standards have resulted in fewer citations and that they prefer including nursing home administrators in the survey team deliberation process.

After gathering information and suggestions regarding HCFA's nursing home policies, HSQB's Center for Long Term Care plans to reexamine the agency's policies and determine any changes that need to be made. For more information on the listening sessions, please contact Kathy Lochary at 410/786-6770 (e-mail: [KLochary@hcfa.gov](mailto:KLochary@hcfa.gov)).



## Medicare Service Center to Open

In an effort to better understand and serve the needs of Medicare beneficiaries, HCFA is opening "Your Medicare Center," a customer service center, in Philadelphia's Gallery at Market East shopping center.

The Center, which officially opens this month, will be operated by HCFA staff knowledgeable in all aspects of the Medicare program. Examples of services to customers who visit the Center include:

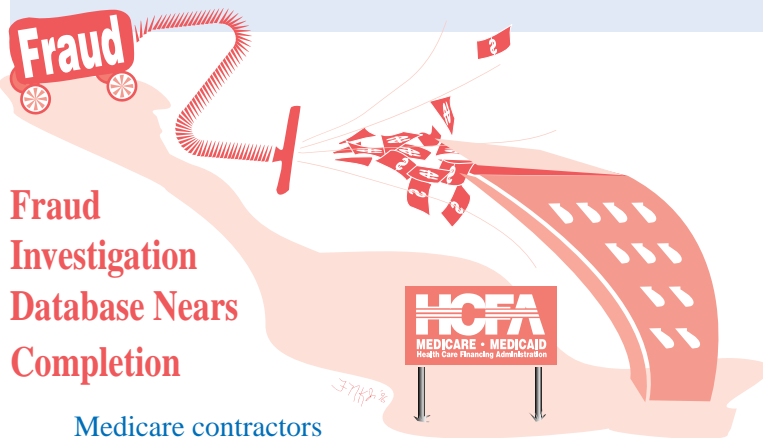
- **Educational Services:** Informational materials and videos will be available to customers on a variety of issues including: eligibility, enrollment, coverage, managed care, long-term care, Medicare terminology, premiums, etc. In addition, staff will meet with customers and respond to their questions directly.
- **Problem Resolution:** Staff will have access to multiple databases to provide on-line assistance for resolving beneficiary issues related to: Part A and B claims, premiums, deductibles, quality of care issues, provider complaints, and dually eligible issues.

*see CENTER, page 4*



On August 21, President Clinton signed the Kennedy-Kassebaum health reform legislation. As you have probably read in the press, this important, bipartisan legislation will help people keep their health insurance when they change jobs. Another key portion of the bill, which has gotten less coverage but which is also key to our citizens' health security, will help us fight Medicare and Medicaid fraud and abuse. For the first time, the law provides a consistent funding stream, from the Medicare Hospital Insurance Trust Fund, to fight fraud. The law establishes the Medicare Integrity Program to strengthen the anti-fraud expertise and infrastructure of our contractors, and it brings together the anti-fraud efforts of HCFA, the Office of the Inspector General and the Department of Justice, including the Federal Bureau of Investigations, in a new unified front. The law also adds a series of weapons to our

fraud-fighting arsenal; for example, expanding conditions under which civil money penalties can be imposed and establishing a database of those convicted of fraud. It will also allow us to extend the five-state Operation Restore Trust demonstration project to the rest of the country. We at HCFA look forward to working with our sister agencies to cut back on fraud, protecting and strengthening Medicare in the process.



### Fraud Investigation Database Nears Completion

Medicare contractors have entered over 1000 fraud cases into HCFA's Fraud Investigation Database (FID), a nationwide computerized system devoted to Medicare fraud and abuse data accumulation.

The FID contains information on the status of all Medicare fraud cases being handled by HCFA, its contractors, and law enforcement agencies. Organizations with access to the FID will be able to monitor volume and types of cases, identify trends, and track case development across the country through simple data review.

Among the organizations with access to the FID are: HCFA central and regional offices, the Office of the Inspector General, the Federal Bureau of Investigation, the Department of Justice, the Civilian Health and Medical Program for the United States, the Postal Inspectors' Offices, Medicaid Fraud Control Units, and Medicare contractors.

Many of HCFA's law enforcement partners are using the FID to track fraud cases around the country. Organizations are looking forward to December 31, 1996, when all cases from 1993 to present will have been entered into the database. For additional information on the Fraud Investigation Database, please call Shantelle Goodall at 410/786-0189 (e-mail: [sgoodall@hcfa.gov](mailto:sgoodall@hcfa.gov)) or Glenn Locklear at 410/786-0189 (e-mail: [glocklear@hcfa.gov](mailto:glocklear@hcfa.gov)).

## HCFA Promotes Removal of Restraints in Nursing Homes

In an effort to reduce the use of chemical and physical restraints in nursing homes, HCFA's regional offices are working with providers of nursing home services and state and federal surveyors to increase awareness and training.

This activity, named the Restraint Reduction Initiative, began in HCFA's Philadelphia Regional Office. Studies indicate that the use of restraints in nursing homes is approximately 25 percent in that region, 5 percent higher than the national average. HCFA's goal is to reduce the national restraint rate to 10 percent or less.

The impetus for this initiative came from the realization that, despite federal regulations limiting restraint use, a number of nursing homes still use physical or chemical restraints for their residents. A physical restraint is any device that limits a person's ability to move about freely in the environment or limits access to one's body. A chemical restraint is any psychoactive medication used for purposes of discipline or convenience and not needed to treat medical symptoms.

In working with nursing homes and medical societies, HCFA has helped train hundreds of individuals on the dangers of restraints, the need for individualized assessment, and alternatives to restraint usage. A two-day conference, in which national consumer and advocacy groups will discuss ways to educate the public about restraint use, is planned in Philadelphia in early December. For more information on this conference or initiative, please contact Jerry Arzt at 215/596-6952 (e-mail: [jarzt@hcfa.gov](mailto:jarzt@hcfa.gov)).



## Study Finds Differences in Health Care Utilization Patterns

Race and income continue to be major factors influencing the type of services the elderly receive, according to a recently released HCFA study.

African-Americans and poor people of all races may get less primary preventive care and less than optimal management

of chronic diseases, according to the study, published in the September 12 edition of the *New England Journal of Medicine*.

"It appears that barriers to care still remain for some beneficiary groups," says HCFA Administrator Bruce C. Vladeck, who co-authored the study. "We are working hard to understand why they exist and to eliminate them."

One such effort is the Horizons Pilot Project to increase influenza vaccination rates among African-American Medicare beneficiaries. Similar activities are now underway to promote mammography screening among African-American women.

The study found that, regardless of income, black beneficiaries visited their physician less often and received fewer mammograms and flu shots, but were hospitalized more often than white beneficiaries. Among both races, the poorest elderly had fewer physician visits, mammograms and flu shots, and were hospitalized more frequently than the most affluent.

### Upcoming Events

#### October 1, 1996

HCFA Administrator Bruce Vladeck speaks at the Tulane University Medical Center in New Orleans, LA, on "The Administration's Vision and Plans for the Future of the Medicaid Program."

#### October 2, 1996

Administrator Vladeck speaks at a conference sponsored by the Robert Wood Johnson Foundation and HCFA in Washington, D.C., on "Federal Direction in Purchasing Health Benefits for Medicaid and Medicare Beneficiaries."

#### October 4, 1996

Acting Deputy Administrator Sally Richardson addresses the Robert Wood Johnson Health Policy Fellows in Washington, D.C., on "HCFA's Priority Issues."

#### October 8, 1996

Administrator Vladeck addresses the Pepper Institute on Aging and Public Policy in Tallahassee, FL, on "Issues Related to the Proposed Changes in the Medicare and Medicaid Programs and Their Likely Impact on the Lives of Older Americans."

#### October 9, 1996

Administrator Vladeck speaks at the National Association of State Medicaid Directors' Conference in Alexandria, VA, on "The Future of Medicaid."

#### October 14, 1996

Administrator Vladeck addresses the National Citizen's Coalition for Nursing Home Reform in Arlington, VA, on "Quality Standards."

#### October 16, 1996

Administrator Vladeck speaks at the Northwest Area Health Education Center in Winston-Salem, NC, on "Managing Care Vs. Costs: Health Care and Cost Containment."

#### October 17, 1996

Administrator Vladeck speaks at the George Washington University Medical Center in Washington, D.C., on "Managed Care."

#### October 18, 1996

Administrator Vladeck addresses the National Association of Area Agencies on Aging in Washington, D.C., on "HCFA's Perspective on Trends in Services for Older Adults and Persons with Disabilities."

#### October 21, 1996

Administrator Vladeck addresses the Midwest Business Group on Health in Oakbrook, IL, on the "Need for a Public-Private Partnership in Value-Managed Health Care Purchasing."

#### October 22, 1996

Administrator Vladeck participates in the Grand Opening of the Medicare Center in Philadelphia, PA.

Administrator Vladeck speaks at the Crozer Keystone Health System in Media, PA, on "Vision of Health Reform."

#### October 24, 1996

Administrator Vladeck speaks at the District of Columbia Hospital Association on "HCFA Policy Past and Future As It Affects Hospitals."

**New and Pending Demonstration Project Proposals Submitted Pursuant to Section 1115(a) of the Social Security Act: July 1996 (ORD-091-N)—Published 9/11**

This notice identifies proposals submitted during the month of July 1996 under the authority of section 1115 of the Social Security Act and those that were approved, disapproved, pending, or withdrawn during this time period. (This notice can be accessed on the Internet at [HTTP://WWW.HCFA.GOV/ORD/ORDHP1.HTML](http://WWW.HCFA.GOV/ORD/ORDHP1.HTML).)

**Medicare Program; Waiver of Recovery of Overpayments (BPD-869-F)—Published 9/19**

This final rule duplicates in HCFA's regulations the content of two sections of the Social Security Administration (SSA)'s regulations concerning waiver of recovery of overpayments. Since SSA is now independent of HHS and is restructuring its regulations to apply only to the OASDI program, HCFA is establishing the content of these sections in 42 CFR part 405.

**Medicare Program; Part B Advance Payments to Suppliers Furnishing Items or Services Under Medicare Part B (BPO-105-F)—Published 9/19**

This rule establishes requirements and procedures for advance payments to suppliers of Medicare Part B services. An advance payment will be made only if the carrier is unable to process a claim timely; the supplier requests advance payment; HCFA determines that payment of interest is insufficient to compensate the supplier for loss of the use of the funds; and, HCFA expressly approves the advance payment in writing. These rules are necessary to address deficiencies noted by the General Accounting Office in its report analyzing current procedures for making advance payments.

**Medicaid Program; Final Limitations on Aggregate Payments to Disproportionate Share Hospitals: Federal Fiscal Year 1996 (MB-100-N)—Published 9/23**

This notice announces the final Federal fiscal year (FFY) 1996 national target and individual State allotments for Medicaid payment adjustments made to hospitals that serve a disproportionate number of Medicaid recipients and low-income patients with special needs. The final FFY 1996 State DSH allotments published in this notice supersede the preliminary FFY 1996 DSH allotments that were published in the [Federal Register](#) on May 9, 1996.

## New Appointments

**Elizabeth Abbott** has been named the Regional Administrator in the San Francisco Regional Office. She was formerly the Associate Regional Administrator for the Division of Medicare. Prior to joining HCFA, she was with the Social Security Administration.

**Maruta Zitans** is the Deputy Regional Administrator in the Chicago Regional Office. She was previously in the Office of the Assistant Secretary for Planning and Evaluation.

**Rozann Abato**, formerly Deputy Director of the Medicaid Bureau, is now the Director of the Office of Financial and Human Resources.

**Judy Moore** moves from the Deputy Director of the Medicaid Bureau to become its Acting Director.

**Frank Sokolik**, previously with HSQB's Center for Hospital and Community Care, is now the Director of the Office of Beneficiary Relations.

**Arthur Weatherbee** has left the Freedom of Information and Privacy Office to become the Director, Executive Secretariat.

**Joyce Somsak** is the new Director of the HCFA On-Line Team. Previously, she was the Director, Executive Secretariat.

**Glenn Kendall** from the Office of the General Counsel has joined the Freedom of Information and Privacy Office as its Acting Director.

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- **Health Screening:** HCFA will work with other organizations to use the Center to provide beneficiaries with health promotion and disease prevention services.

In addition to providing services to beneficiaries, "Your Medicare Center" will provide HCFA with a better understanding of how to respond to the informational needs of Medicare beneficiaries and with an opportunity to bring together a network of partners from the community to offer Medicare-related information.

The Center will be open six days a week, Monday through Friday from 10:00 am to 5:00 pm and Saturday from 10:00 am to 4:00 pm. All services provided at the Center will be free. For more information, please contact Joe Gaffney at 215/596-1861.

# To Our Readers



*Please take a few minutes to complete the following survey.  
You may mail, FAX (410-786-3194), or e-mail  
([lmiscevic@hcfa.gov](mailto:lmiscevic@hcfa.gov)) your comments.*

1. Do you distribute the HCFA Health Watch to members of your office/organization? ..... Yes ☐ No ☐
2. Do you find the articles useful? ..... Yes ☐ No ☐
3. Does the HCFA Health Watch contain information that you do not obtain elsewhere? ..... Yes ☐ No ☐
4. Are there any topics you would like to see covered? ..... Yes ☐ No ☐

*If YES, please elaborate:*

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5. Do you want to continue to receive the HCFA Health Watch? ..... Yes ☐ No ☐

6. Other Comments:

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## *October is Breast Cancer Awareness Month*

### Remember: Medicare Covers Mammograms

For women age 65 or older, Medicare helps pay for one screening mammogram every two years. Medicare's interval for screening is consistent with the National Cancer Institute's statements. It is important for women to return for a mammogram every two years (sooner if symptoms develop.)

Medicare also helps pay for a mammogram when an individual is being treated by a physician for cancer or shows signs or symptoms of having cancer. In such cases, Medicare helps pay for diagnostic mammograms when ordered by a physician. Medicare also helps pay for mammography screenings for certain other at-risk women who are receiving Social Security disability benefits.

## Medicare/ Medicaid History Video Available

"A Brief History of Medicare and Medicaid," produced by HCFA, is a fifteen-minute video which traces the roots of the programs back to

Theodore Roosevelt and summarizes their legislative history through Presidents Franklin Roosevelt, Harry Truman, John F. Kennedy, and Lyndon Johnson. The video also presents the major changes in the Medicare and Medicaid programs from enactment to the present and discusses the role of these programs in the Nation's health care. For a free copy of this video, call John Trout at 410/786-2035 or e-mail (jtrout@hcfa.gov)

## HCFA Announces Hospital Payment Rates for FY 97

Payments to the 5,200 short-stay hospitals participating in the Medicare program will be increased 2 percent for the coming fiscal year. For another 2,000 non-acute hospitals, the increase for fiscal year 1997 will be between 1.5 and 2.5 percent.

Current law requires that rate increases for hospitals under the prospective payment system (PPS) be based on a projection of growth in the prices of goods and services purchased by hospitals, known as the hospital market basket, minus 0.5 percentage points. The market basket increase for fiscal year 1997 is currently estimated to be 2.5 percent.

The increase for Medicare hospitals excluded from PPS—psychiatric, rehabilitation, long-term, and children's facilities—is based on an estimated 2.5 percent increase in the market basket calculated exclusively for these hospitals, minus 1 percentage point, with some hospitals eligible for a full market basket increase if they have historically high costs.

The final fiscal year 1997 federal PPS rate for capital-related costs will represent a 4.99 percent decrease compared with the fiscal year 1996 rate. The decrease in the rate is offset in part by an increase in additional payments to certain classes of hospitals. Consequently, aggregate capital payments will increase by 6.77 percent.

## Ann Landers to Offer Advice at Flu Prevention Press Conference

Ann Landers, the nationally syndicated advice columnist, will help kick-off HCFA's annual flu prevention campaign at a press conference in Chicago this month. Landers, who faithfully gets a flu shot every year before flu season hits, strongly endorses HCFA's flu prevention message — "There are two things you won't get from a flu shot: the flu and the bill."

The flu is an infectious disease which can be especially dangerous and even life-threatening to older Americans. Thousands of serious illnesses, hospitalizations, and deaths can be prevented through flu immunizations which are paid for by Medicare.

New public service announcements encouraging beneficiaries to take advantage of Medicare's coverage of flu shots will also be unveiled at the press conference. For further information about the press conference, please contact HCFA's Office of Media Relations at 202/690-6145.

# Key Regulations/Notices

## **Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 1997 Rates (BPD-847-F)—Published 8/30**

This final regulation revises the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement necessary changes arising from our continuing experience with the systems and describes changes in the amounts and factors necessary to determine prospective payment rates for Medicare hospital inpatient services for operating costs and capital-related costs.

## **Medicare Program; Schedule of Prospectively Determined Payment Rates for Skilled Nursing Facility Inpatient Routine Service Costs (BPD-842-NC)—Published 9/3**

This final notice with comment period sets forth the schedule of payment rates for low Medicare volume skilled nursing facilities for prospective payments for routine service costs for Federal fiscal year 1997 (cost reporting periods beginning on or after October 1, 1996 and before October 1, 1997).

## **Medicare and Medicaid Programs; Requirements for Physician Incentive Plans in Prepaid Health Care Organizations (OMC-010-FC)—Published 9/3**

This notice clarifies and changes some of the dates by which prepaid health plans have to comply with certain of the provisions of a final rule with comment period published March 27, 1996, concerning physician incentive plans, and provides an opportunity for public comments. It does not otherwise change the requirements set forth in the rule.

## **Medicare Program; Hospice Wage Index (BPD-820-P)—Published 9/4**

This proposed rule establishes a methodology to update the wage index used to adjust Medicare payment rates for hospice care.

## **Medicare and Medicaid Programs; Hospital Standard for Potentially HIV Infectious Blood and Blood Products (BPD-633-F)—Published 9/9**

This final rule requires hospitals participating in the Medicare and Medicaid programs to take appropriate action when the hospitals learn that they have received blood or blood products that are at increased risk of transmitting HIV infection. This final rule is intended to ensure that proper health and safety steps are taken to minimize further spread of HIV infection.

see *REGULATIONS*, page 4



published by the  
Health Care  
Financing  
Administration

Bruce C. Vladeck, *Administrator*

Pamela J. Gentry, *Associate Administrator for External Affairs*

Frank M. Sokolik, *Director, Office of Beneficiary Relations*

### **HEALTH WATCH TEAM**

Leslie Miscevic 410/786-3197

Melissa Dohrer 214/767-6448

Mildred Reed 202/690-8617

Laura Koziol 202/690-7179

Justin Dowling 617/565-1261

Department of Health & Human Services  
Health Care Financing Administration  
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Baltimore, Maryland 21244-1850

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